

KJC CONSULTING

Business and Economic Consultants
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Aug. 1, 1995

To: Elgin City Council
From: Kevin Cooper
RE: Update on Industrial Park Project

I have completed the information collection phase of the survey I reported on last month. A summary of the preliminary results are attached for your review. These results will be included in a final report which will be made available in September, 1995.

One preliminary result of the survey is the potential for recruiting one or more industrial businesses to the Elgin area. The vast majority of Union County industrial property sales in the past two years have been at the Airport Industrial Park. The county gives these 2 acre sites away in return for minimum investment commitments from businesses. The sites are sold out and it will be 2 to 3 years before more are available. There is still demand for sites in the county. To take advantage of this opportunity, the city would need to consider several actions as soon as possible. To begin this process, I would recommend the following issues be discussed:

1. The city should discuss if it wants get into the industrial property business. If the city is not willing to purchase the property, a first option to buy could be used to secure the property. In either case, the city will want some assurance that the property is available for immediate industrial use once water and sewerage service is put in place.
2. If the city decides to move forward on this opportunity, a confidential inquiry should be made on the availability of specific properties which could be purchased or secured. The city engineer and city manager would be best qualified to identify these properties. If a property is found to be suitable, an offer should be made on the property before the activity becomes public knowledge.
3. The city should consider the amount of funds available for land purchase, water and sewer improvements, and related transaction costs. This would provide a guide for Joe in recommending actions as needed to implement this project.

This economic development opportunity offers an chance to diversify the local economy and the city's tax base. It will require an initial investment from the city. I am recommending the city consider this as an investment in the future.

Economic Development Organization Survey Results

The survey results are provided in summary only. Additional analysis of the survey results are available upon request. Results appear in this summary by question and do not include all information collected in the survey.

A. Number of organizations selected for survey - 32 (100.00%)

B. Number of organizations participating in survey - 21 (65.63%)

C. Abstract of results:

1. Involved in Business Recruitment (21 responses)

- | | |
|--|-----|
| a. Currently operate program | - 7 |
| b. Quit operating during last 12 months | - 1 |
| c. Assist in recruitment but not operate | -11 |
| d. Not involved in recruitment | - 2 |

2. Recruitment Activities (75 responses)

- | | |
|--|-----|
| a. Design/print marketing materials | - 9 |
| b. Mass mailing campaigns | - 4 |
| c. Industrial visitation program | - 4 |
| d. Advertise in trade publications | - 4 |
| e. Referrals from chamber/visitor center | -15 |
| f. Low cost industrial property | - 4 |
| g. Market industrial property | - 6 |
| h. Attend trade shows | - 7 |
| i. Phone solicitations (cold calls) | - 1 |
| j. Billboard advertising | - 0 |
| k. Local business referrals | -13 |
| l. Local tax incentives | - 8 |

3. Success in Recruiting Businesses in past year (20 responses)

- | | |
|----------------------------|-----|
| a. recruited one business | - 4 |
| b. recruited two or more | -12 |
| c. no businesses recruited | - 4 |

4. Involvement in Business Retention (21 responses)

- | | |
|--|-----|
| a. Currently Operate program | - 7 |
| b. Quit operating program in past year | - 0 |
| c. Involved but not operating program | - 7 |
| d. Not involved in retention | - 7 |

5. Retention Activities (44 responses)

- a. Design/print retention materials - 4
- b. Referrals from chamber/visitor center - 9
- c. Business visitation program - 7
- d. Non-tax incentives - 4
- e. Mass mailing campaigns - 3
- f. Local business referrals - 9
- g. Local tax incentives - 2
- h. Management assistance Services - 6

6. Average Rank of Activities Listed (57 responses)
(ranked in top 3 of importance 1=high rank, 10=low rank)

- a. Industrial recruitment - 6
- b. Developed tourism destinations - 1
- c. Excess water & sewer capacity - 6
- d. Active community volunteers - 5
- e. Tourism marketing/advertising - 0
- f. Property tax incentives - 3
- g. Low interest business loan prog. - 2
- h. Low cost industrial property -10
- i. Goal setting & planning -13
- j. Available industrial land -11

7. Activities averaging more than 10 hours/week (61 responses)

- a. Administrative duties -13
- b. Business recruitment/retention - 7
- c. Producing & mailing marketing info.- 7
- d. Management & start up assistance - 8
- e. Lending & loan packaging - 4
- f. Grant writing.fund raising - 8
- g. Program/grant administration -14

8. Legal status of Organization (21 responses)

- a. For-profit corporation - 0
- b. Local government - 8
- c. Non-profit corporation -10
- d. Other - 3

9. Sources of Funding (63 responses)

- a. Appropriations for local gov't -10
- b. Grants from state/federal gov't -11
- c. Interest income - 7
- d. Fees from services - 5
- e. Program income - 3
- f. Other sources -27

10. Geographic Area of responsibility (21 responses)

- a. Single city - 5
- b. Portion of single county - 3

- c. Single county - 7
- d. Multiple counties - 6

11. Population of area served (20 responses)

- a. Less than 1,000 - 0
- b. 1,000 to 2,500 - 2
- c. 2,500 to 4,999 - 2
- d. 5,000 to 9,999 - 5
- e. 10,000 to 34,999 - 6
- f. Over 35,000 - 7

12. Organizational Staffing (21 responses)

- a. Full time paid positions only - 5
- b. Volunteers only - 3
- c. Full and/or part time paid staff - 7
- d. Paid staff & volunteers - 4
- e. Full time paid director only - 2